## Message Text

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**UNCLAS EC BRUSSELS 5388** 

ERDA PASS TO N SIEVERING AIA

E.O. 11652: N/A

TAGS: EEC, TECH, ENRG

SUBJECT: EC REACTIONS TO NEW US NUCLEAR POLICY

1. AT MEETING OF UNICE ENERGY COMMITTEE IN BRUSSELS ON MAY 25, DIETRICH HAMMER, EC COMMISSION, REPORTED ON THE COMMISSION'S REACTION TO NEW US NUCLEAR POLICY PROPOSED BY ADMINISTRATION. THE FOLLOWING IS SUMMARY OF HIS REMARKS.

2. BEGIN SUMMARY. "THE EC AS A WHOLE DOES NOT YET HAVE A COORDINATED REACTION TO THE US NUCLEAR POLICY. THE COMMISSION HAS SUBMITTED A PAPER TO THE COUNCIL PRESENTING ITS VIEWS.

THE COMMISSION FULLY AGREES WITH THE NONPROLIFERATIN OBJECTIVES OF THE US NUCLEAR POLICY. HOWEVER, THIS POLICY RAISES THE POSSIBILITY OF CERTAIN PROBLEMS TO WICH THE COMMUNITY MUST ADDRESS ITSELF. THE PROBLEMS ARE IN THREE AREAS: (1) GENERAL POLITICAL CONSIDERATIONS; (2) ECONOMIC PROBLEMS; AND (3) PROBLEMS FOR THE EC ITSELF.

(1) GENERAL POLITICAL CONSIDERATIONS UNCLASSIFIED

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A. EC MUST DETERMINE WHETHER THE PROPOSED US MEASURES ARE TRULY EFFECTIVE AND WHETHER THEY ARE NECESSARY.

B. THE US MEASURES ARE BASICALLY TECHNICAL IN NATURE; I.E., THEY AIM AT CONTROLS ON MATERIALS THAT CAN BE USED IN ATOMIC WEAPONS. THE POLITICAL DIMENSION OF THE PROBLEM, I.E., MOTIVATION,

NEEDS TO BE EQUALLY CONSIDERED AND RESOLVED.

## (2) ECONOMIC PROBLEMS

A. IF NO REPROCESSING AND RECYCLING OF PLUTONIUM IN LWR'S, EUROPE INCURS A 10 PERCENT INCREASE IN NEED FOR NATURAL URANIUM;

B. EUROPE WILL NEED TO EXPAND ITS STORAGE CAPACITY FOR SPENT FUEL ELEMENTS.

C. DELAYING THE INTRODUCTION F THE FAST BREEDER MAY MEAN THAT IT WILL NOT BE COMMERCIALLY AVAILABLE WHEN IT IS NEEDED. ALSO, IF THE WEST STOPS DEVELOPMENT OF FAST BREEDERS, USSR IS LIKELY TO TAKE THE LEAD.

D. EUROPE DECIDED TO GO NUCLEAR IN ORDER TO MINIMIZE DEPENDENCE ON IMPORTED ENERGY. FOR NOW THAT IMPORTED FORM OF ENERGY IS OIL. IF THERE IS NO FAST BREEDER SYSTEM, WE WILL BE JUST AS DEPENDENT AS WE ARE NOW, ONLY IN THE FUTURE WE WILL BE DEPENDENT ON IMPORT OF URANIUM FUEL. EVEN RELIABLE FRIENDS CAN SOMETIMES CAUSE PROBLEMS (E.G., CANADA).

E. US OBJECTIVE APPEARS TO BE MINIMIZE, OR EVEN TOTALLY STOP, THE EXPORT OF HIGHLY ENRICHED URANIUM. THIS COULD HAVE SERIOUS IMPACT ON EUROPEAN RESEARCH PROGRAMS, LIKE THE HTR.

## (3) COMMUNITY PROBLEMS

A. POSSIBILITY OF DE FACTO DISCRIMINATION BETWEEN WEAPONS STATES AND NON-WEAPONS STATES. THIS COULD RUN COUNTER TO NPT PRINCIPLES, UNCLASSIFIED

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MIGHT DIVIDE THE EC, AFFECT FREE MOVEMENT OF GOODS WITHIN THE COMMUNITY, AND AFFECT THE PRINCIPLE OF EQUAL COMPETITION.

B. THE NEED FOR ADDED FUEL STORAGE CAPACITY MIGHT BECOME A COMMUNITY PROBLEM.

C. WITH FRANCE NOT UNDER IAEA VERIFICATION, ANOTHER FENCE WITHIN THE COMMUNITY MAY RESULT.

AS OF NOW, THE EC HAS NOT BEEN FORMALLY INVITED TO PARTICIPATE IN THE US PROPOSED INFCEP. THE EC HAS BEEN TOLD BY 'HIGH SOURCES' IN THE US ADMINISTRATION TO GET ITSELF ORGANIZED AND THAT IT IS UP TO THE EC ITSELF, AND ITS MEMBER COUNTRIES, TO DECIDE WHETHER IT WILL PARTICIPATE. PROVISIONS OF THE EURATOM TREATY ESTABLISH THE COMPETENCE OF THE EC TO BE INVOLVED IN NUCLEAR MATTERS AND THE INTERESTS OF THE COMMUNITY ARE AFFECTED BY THE POSSIBLE RESULTS OF THE INFCEP. WHAT THE EC NEEDS NOW IS A COORDINATED POSITION, INCLUDING IDEAS FROM MEMBER COUNTRIES." END SUMMARY.

3. ERDA REP PURPLE ATTENDED SAME MEETING TO PRESENT AND DISCUSS US NATIONAL ENERGY PLAN AND US NON-PROLIFERATION POLICY. RESULTS OF THIS BEING REPORTED SEPARATELY BY LETTER TO AIA, ERDA, WITH COPIES TO RPE AND OES. HINTON

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